

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

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SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01

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FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 7051

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

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TAGS: ENRG: BR

SUBJ: PETROLEUM DEVELOPMENTS IN CAMPOS BASIN

REF: (A) BRASILIA 4265; (B) RIO DE JANEIRO 203

CONGEN RIO DE JANEIRO DRAFTED THIS TELEGRAM,
EMBASSY CONCURS.

SUMMARY: ADDITIONAL DRILLING AND EVALUATION OF
THE PETROLEUM RESERVES IN THE CAMPOS BASIN HAS
PRODUCED ENCOURAGING RESULTS: NAMORADO RESERVES
COULD BE 400 MILLION BARRELS OR MORE; BAROUPA
SHOULD BE IN PRODUCTION BY LATE 1977. END SUMMARY.

1. PETROBRAS HAS NOW SUNK WELLS IN SIX OF THE
THIRTEEN GEOLOGICAL STRUCTURES OF CAMPOS AND FOUND
OIL IN COMMERCIAL QUANTITIES IN FIVE OF THESE
FORMATIONS (GAROUPA, NAMORADO, PARGO, BADEJO AND
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1-RJS-17 STILL UNNAMED). THE PRESS REPORTS THAT,

SINCE THE DISCOVERY OF THE GAROUPA STRUCTURE AT THE END OF 1974, PETROBRAS HAS SUNK 23 WELLS OF WHICH 11 STRUCK OIL IN COMMERCIAL QUANTITIES, ONE FOUND SUB-COMMERCIAL OIL AND 11 WERE DRY.

2. THE NAMORADO STRUCTURE APPEARS TO BE THE MOST PROMISING IN TERMS OF RECOVERABLE RESERVES. A PETROBRAS EXTENSION WELL DISCOVERED A LAYER OF PETROLEUM 118 METERS WIDE IN HIGH POROSITY (OVER 30 PERCENT) ROCK. PETROBRAS ESTIMATES NAMORADO'S AREA AT 10 SQ KM, ALTHOUGH THE STRUCTURE COULD BE AS LARGE AS 18 SQ KM. WITH RECOVERABLE RESERVES NOW THOUGHT TO BE 40 MILLION BARRELS PER SQUARE KILOMETER, TOTAL RESERVES FOR NAMORADO COULD SURPASS 400 MILLION BARRELS, ACCORDING TO A PETROBRAS PRESS BACKGROUND BRIEFING.

3. PETROBRAS HOPES TO BEGIN PRODUCTION IN THE CAMPOS BASIN BY LATE 1977 WITH 50,000 BPD FROM THE GAROUPA STRUCTURE. ON JULY 17, PETROBRAS BEGAN DRILLING THE FIRST DEVELOPMENT WELL IN THIS STRUCTURE. THE WELL IS BEING SUNK BY SEMI-SUBMERSIBLE PLATFORM SHIP SANTA FE MARINER II. THIS WELL WILL COMBINE WITH EIGHT OTHER EXTENSION AND DEVELOPMENT WELLS TO FORM A PROVISIONARY PRODUCTION SYSTEM.

4. COMMENT: IN PRIVATE TALKS WITH PRESS AND INDUSTRY SOURCES, CONGEN RIO LEARNED THAT THE RESERVE FIGURES FOR THE NAMORADO FORMATION ARE STILL TENTATIVE AND SUBJECT TO EXTENSIVE REVISION. IN AN ATTEMPT TO AVOID A LOSS OF CREDIBILITY SIMILAR TO THAT WHICH OCCURRED AFTER FIRST ESTIMATES FOR GAROUPA RESERVES PROVED TO BE HIGHLY EXAGGERATED, PETROBRAS HAS CITED RESERVE FIGURES FOR NAMORADO ONLY IN PRESS BACK-GROUNDERS AND OMITTED THESE ESTIMATES IN OFFICIAL RELEASES. ALTHOUGH IT IS STILL TOO EARLY TO MAKE A PRECISE ESTIMATE OF THE NAMORADO RESERVES, LIMITED OFFICIAL USE

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THE RESULTS FROM THE PIONEER AND EXTENSION WELLS DEMONSTRATE THAT NAMORADO IS SIGNIFICANTLY LARGER THAN GAROUPA (ESTIMATED RESERVES: 200 MILLION BARRELS). THE GOAL OF GAROUPA PRODUCTION BY LATE 1977 IS CONSIDERED BY MOST OBSERVERS TO BE REALISTIC. HOWEVER, THE SPECIFIC PRODUCTION TARGET OF 50,000 BPD WILL BE DIFFICULT TO ACHIEVE.
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